

**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

All persons who are requesting a determination as to whether a CON is required for a proposed project must complete this form. Completed forms should be submitted to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS#13H62, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If more than 2 Petitioners, please attach a separate sheet of paper and provide additional information in the format below:

	Petitioner	Petitioner
Full legal name	Danbury Health Care Affiliates	
Doing Business As	Corporate Health Care/ WorkNET	
Name of Parent Corporation	Danbury Health Systems, Inc.	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	41 Germantown Road Danbury, CT 06810	
Petitioner type (e.g., P for profit and NP for Not for Profit)	NP	
Name of Contact person, including title	Andrea J. Rynn Community/Government Relations Manager	
Contact person's street mailing address	24 Hospital Avenue Danbury, CT 06810	
Contact person's phone, fax and e-mail address	203-797-7919 Ph 203-830-2093 Fx andrea.rynn@danhosp.org	

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title:
Transfer of ownership of industrial health services
- b. Location of proposal (Town including street address):
41 Germantown Road, Danbury, CT 06810
- c. List all the municipalities this project is intended to serve:
The Primary Service Area:
- 06801 Bethel**
06804 Brookfield
06810, 11 Danbury
06812 New Fairfield
06470 Newtown
06875 Redding
06877 Ridgefield
- d. Estimated starting date for the project:
Upon determination by OHCA
- e. Type of Entity: (Please check *E* for Existing and *P* for Proposed in all the boxes that apply)

E	P		E	P		E	P	
<input type="checkbox"/>	<input type="checkbox"/>	Acute Care Hospital	<input type="checkbox"/>	<input type="checkbox"/>	Imaging Center	<input type="checkbox"/>	<input type="checkbox"/>	Cancer Center
<input type="checkbox"/>	<input type="checkbox"/>	Behavioral Health Provider	<input type="checkbox"/>	<input type="checkbox"/>	Ambulatory Surgery Center	<input type="checkbox"/>	<input type="checkbox"/>	Primary Care Clinic
<input type="checkbox"/>	<input type="checkbox"/>	Hospital Affiliate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Other (specify) Industrial Health Services			

SECTION III. EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure/Cost: \$ **N/A**
- b. Please provide the following breakdown as appropriate: (may not represent the aggregate shown above)

New Construction/Renovations	\$	0
Medical Equipment (Purchase)		
Imaging Equipment (Purchase)		
Non-Medical Equipment (Purchase)		
Sales Tax		

Delivery & Installation	
Total Capital Expenditure	\$ 0
Fair Market Value of Leased Equipment	
Total Capital Cost	\$ 0

Major Medical and/or imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
N/A				

Note: Provide copy of contract with vendor for medical equipment.

c. Type of financing or funding source: **N/A**

- | | | |
|---|---|--|
| <input type="checkbox"/> Operating Funds | <input type="checkbox"/> Lease Financing | <input type="checkbox"/> Conventional Loan |
| <input type="checkbox"/> Charitable Contributions | <input type="checkbox"/> CHEFA Financing | <input type="checkbox"/> Grant Funding |
| <input type="checkbox"/> Funded Depreciation | <input type="checkbox"/> Other (specify): _____ | |

SECTION IV. PROPOSAL DESCRIPTION - See Attachment "A" Project Description
Transference of ownership of industrial health services

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):


1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Will you be charging a facility fee?
4. Who is the current population served and who is the target population to be served?
5. Who will be providing the service?
6. Who are the payers of this service?

SECTION V. AFFIDAVIT

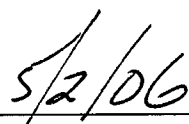
Applicant: **Danbury Health Care Affiliates DBA Corporate Health Care / WorkNET**

Project Title: **Transfer of ownership of industrial health services**

I, **Frank J. Kelly, President and CEO of Danbury Health Systems** being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge, and that **Danbury Health Care Affiliates DBA Corporate Health Care / WorkNET** complies with the appropriate and applicable criteria as set forth in The Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

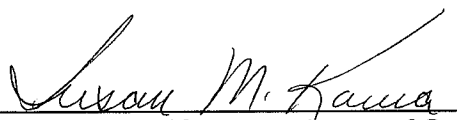


Signature



Date

Subscribed and sworn to before me on 5/2/06



Notary Public/Commissioner of Superior Court

My commission expires: 2/30/09

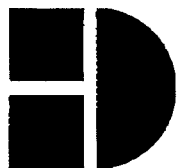
Attachment "A" Project - Description Transference of ownership of occupational health services

Corporate Health Care/WorkNET, located at 41 Germantown Road, Danbury, CT is a small industrial health service with annual net revenues of approximately \$2,100,000. and marked losses. Corporate Health Care/Work/Net provides services to employer or employer's insurance paid medical services relating to employees and employment related matters to clients located in Bethel, Brookfield, Danbury, New Fairfield, Newtown, Redding and Ridgefield. Services include but not limited to:

- pre-placement physical exams
- laboratory testing
- x-rays
- electrocardiography
- independent medical evaluations
- audiometry
- spirometry
- drug screens
- work-related illness and injury
- physical therapy and rehabilitation associated work-related injuries
- employer policy/case management consulting

These services are provided under the license of DHCA physicians.

No new services are being proposed nor facility fees charged, but rather this Determination Letter relates to a plan for continuation of services to the previously noted through sale of Corporate Health Care/WorkNET to Concentra Health Services, Inc. Concentra Health Services, Inc. physicians will be providing services. Payers are employers and the designated insurer for each corporate client.

**Danbury Hospital****FAX**

Date: May 31, 2006

To: Laurie Greci

Company:

Fax: 860-418-7053

Phone:

From: Andrea Rynn

Phone: 203-797-7919

Fax: 203-830-2093

Page 1 of 5

REMARKS: ☐ Urgent☐ For Review☐ Reply ASAP☐ Please Comment

Comments:

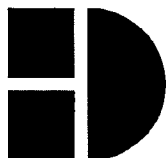
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CONFIDENTIALITY

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If you are not the intended recipient, you are hereby notified that using, disclosing, copying, distributing or taking any action in reliance on the contents of the transmitted information is strictly prohibited and that the document should be immediately returned to the Hospital.

If you have received this transmission in error, please call the PR Department at (203) 797-7490, so we can arrange for the return of the document to the Hospital at no cost to you. Thank You.

**Danbury Hospital**

May 31, 2006

SENT VIA FACSIMILE

Laurie Greci
410 Capitol Ave
MS# 13HCA, PO Box 340308
Hartford, CT 06134-0308

Re: **Certificate of Need Determination, Report Number 06-30741-DTR
Danbury Health Care Affiliates d/b/a Corporate Health Care/WorkNET
Transfer of Ownership of CORPORATE Health Care/WorkNET to Concentra
Health Services, Inc.**

Dear Ms. Greci:

Thank you for your letter of May 16TH, 2006 with your questions regarding the Certificate of Need Determination for the above mentioned proposed transference of ownership. Please find your questions restated and, our responses below.

1. Please provide a description of the relationships among Corporate HealthCare/WorkNET, Danbury Health Care Affiliates ("DHCA"), and Danbury Health Systems, Inc. Explain how the physicians currently providing the industrial health services are related to each company. In addition please submit an organizational chart that demonstrates the relationships.

Response:

DHS is the parent corporation for DHCA. DHCA includes service centers (Corporate Health Care, WorkNET, DDI and others). The 1 physician and 1 PA noted in our previously submitted Determination Letter are DHCA employees and provide services at CHC only as salaried employees. Please note the attached organization chart for your reference.

2. In the cover letter for the CON Determination it was stated that "Corporate Health Care/WorkNET" is a trade name used by DHCA. Will the trade name continue to be used by DHCA for other services provided? Will Concentra offer the services under the trade name? Please explain.

Response:

We do not intend to use Corporate Health Care as a trade name. It is our understanding that Occupational Health Centers of the Southwest, P.A., P.C., d/b/a Concentra Medical Centers will use its own trade name after the purchase. Concentra is only purchasing assets as they relate to these two entities (CHC and WorkNET) only.

3. Please provide a description of Concentra Health Services, Inc. ("Concentra"). Does Concentra have a current relationship with any of the companies listed in Question 1? If yes, please explain.

Response:

Concentra does not have a current relationship to the companies in #1 and Concentra's acute specialization in occupational medicine has allowed the company to invest heavily in technology and in the self-examination of processes and outcomes that have generated unparalleled outcomes for their customers and their workers.

Concentra provides a full complement of non-injury, employment-related health services, including DOT and OSHA compliance exams and reporting.

Injury and Non-injury treatment and services Emergent Care and First Notice of Loss Return-to-Work Programs Surveillance Testing Exams, Wellness, Health Education OSHA Recordkeeping Pre-employment Testing Functional Capacity Exams Job Function Analysis HIPAA-Compliant Records Management Quality Assurance Audits Professional Staffing Models Information Systems (hardware, software, & technical support) Concentra's On-Site Services help employers avoid the expense incurred by sending employees off-site for routine medical care. Time off from work coupled with the administrative expense of filing a claim can be avoided when Concentra On-Site Services helps employers develop a comprehensive on-site program tailored to their business goals.

See their website <http://www.concentra.com/Markets/OccupationalHealth/>

4. In the CON Determination it stated that the services provided are done so under the individual physician license. Will the same physicians be providing the services under Concentra? Please provide a more detailed explanation of how the services are currently provided and how they will be provided, and specifically by who, when Corporate HealthCare/WorkNET transfers the services to Concentra.

Response:

It is our understanding that it is Concentra's preference and intention to hire these same providers to provide the noted services. Given that they are DHS employees at present time, they will have other career opportunities within DHS and it is ultimately their own decision to stay at DHS or to change employment to Occupational Health Centers of the Southwest, P.A., P.C., d/b/a Concentra Medical Centers. Concentra does hire providers for their other clinics and has a tradition of utilizing them in each market where they start up new business. The services scope and depth will remain the same. Based on our knowledge of industrial and occupational health trends and Concentra's reputation in this industry, we do not expect any change in those services.

5. Please confirm that the service area and the target population will not change as a result of the transfer of the ownership of the program.

Response:

It is our understanding based on conversations with Concentra that the same markets would be served by the new entity after the transfer of assets.

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6. Please confirm that none of the services currently provide will be terminated upon the transfer to Concentra.

Response:

It is our understanding that all of these services will continue to be provided by Concentra.

I believe these responses address all your questions. Please don't hesitate to contact me if I can provide you additional information.

Sincerely,



Andrea Rynn
Community and Government Relations

Attachment: DHS-Family of Organizations

cc: Arthur Tedesco
Karim Nazer, MD

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graph TD
    DHS[Danbury Health Systems, Inc.  
General Corporation] --- RAS[Ridgefield Ambulance Service  
General LLC 2002]
    DHS --- FCHC[The Foundation for Community Health Care, Inc.  
(Inactive since 6/6/03) Taxable]
    DHS --- DHD[Danbury Hospital Development Fund, Inc. 501(c)(3)]
    DHS --- DH[Danbury Hospital 501(c)(3)]
    DHS --- DHC[Danbury Health Systems Insurance Co., Ltd. (Taxable)]
    
    DHD --- DPO[Danbury Office of Physician Services  
501(c)(3)]
    DHD --- DHI[Danbury Health Insurance Trust  
(Inactive since 6/6/03)]
    
    DHI --- DI[Danbury Diagnostic Imaging]
    DHI --- RIDI[Ridgefield Diagnostic Imaging]
    DHI --- CHC[Corporate Health Care]
    DHI --- WN[WorkNet]
    DHI --- EMS[Emergency Medical Services]
    
    DHI --- REPE[RIDGEFIELD PEOPLES EDUCATIONAL FOUNDATION]
    REPE --- CCA[CORRECTIONAL OFFICE OF HEALTH CARE ACCESS]
  
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The organizational chart shows the following structure:

- Danbury Health Systems, Inc.** (General Corporation)
 - Ridgefield Ambulance Service (General LLC 2002)
 - The Foundation for Community Health Care, Inc. (Inactive since 6/6/03) (Taxable)
 - Danbury Hospital Development Fund, Inc. 501(c)(3)
 - Danbury Hospital 501(c)(3)
 - Danbury Health Systems Insurance Co., Ltd. (Taxable)
- Danbury Hospital Development Fund, Inc. 501(c)(3)**
 - Danbury Office of Physician Services 501(c)(3)
 - Danbury Health Insurance Trust (Inactive since 6/6/03)
 - Danbury Diagnostic Imaging
 - Ridgefield Diagnostic Imaging
 - Corporate Health Care
 - WorkNet
 - Emergency Medical Services
 - RIDGEFIELD PEOPLES EDUCATIONAL FOUNDATION
 - CORRECTIONAL OFFICE OF HEALTH CARE ACCESS

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= Obligated Group

DHS Org Chart 05/06



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

May 16, 2006

Andrea J. Rynn
Community and Government Relations Manager
Danbury Health Care Affiliates
24 Hospital Avenue
Danbury, CT 06810

Re: Certificate of Need Determination, Report Number 06-30741-DTR
Danbury Health Care Affiliates d/b/a Corporate Health Care/WorkNET
Transfer of Ownership of CORPORATE Health Care/WorkNET to Concentra
Health Services, Inc.

Dear Ms. Rynn:

On May 3, 2006, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request for the transfer of ownership of CORPORATE Health Care/WorkNET to Concentra Health Services, Inc. filed pursuant to Section 19a-638, Connecticut General Statutes.

OHCA staff has reviewed the CON Determination form pursuant to Section 19a-643-74 of OHCA's Regulations and requests information that is necessary for clarification purposes to be submitted as outlined below:

1. Please provide a description of the relationships among Corporate HealthCare/Work NET, Danbury Health Care Affiliates ("DHCA"), and Danbury Health Systems, Inc. Explain how the physicians currently providing the industrial health services are related to each company. In addition please submit an organizational chart that demonstrates the relationships.
2. In the cover letter for the CON Determination it was stated that "Corporate Health Care/WorkNET" is a trade name used by DHCA. Will the trade name continue to be used by DHCA for other services provided? Will Concentra offer the services under the trade name? Please explain.
3. Please provide a description of Concentra Health Services, Inc. ("Concentra"). Does Concentra have a current relationship with any of the companies listed in Question 1? If yes, please explain.

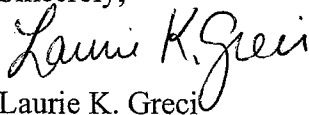
An Equal Opportunity Employer

410 Capitol Ave., MS#13HCA, P.O. Box 340308, Hartford, CT 06134-0308
Telephone: (860) 418-7001 Toll-Free: 1-800-797-9688
Fax: (860) 418-7053

4. In the CON Determination it stated that the services provided are done so under the individual physician license. Will the same physicians be providing the services under Concentra? Please provide a more detailed explanation of how the services are currently provided and how they will be provided, and specifically by who, when Corporate HealthCare/Work NET transfers the services to Concentra.
5. Please confirm that the service area and the target population will not change as a result of the transfer of the ownership of the program.
6. Please confirm that none of the services currently provide will be terminated upon the transfer to Concentra.

In responding to these questions, please reference CON Determination Report 06-30741-DTR in your response submission. If you have any questions concerning the above, please feel free to contact me at (860) 418-7001.

Sincerely,



Laurie K. Greci
Associate Research Analyst



STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 12, 2006

Andrea J. Rynn
Community and Government Relations Manager
Danbury Health Care Affiliates
24 Hospital Avenue
Danbury, CT 06810

Re: Certificate of Need Determination, Report Number 06-30741-DTR
Danbury Health Care Affiliates d/b/a Corporate Health Care/WorkNET
Transfer of ownership of Corporate Health Care/WorkNET to Occupational Health
Centers of the Southwest, P.A., P.C., d/b/a Concentra Medical Centers

Dear Ms. Rynn:

On May 3, 2006, with additional information received on May 31, 2006, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request for the transfer of ownership of Corporate Health Care/WorkNET to Concentra Health Services, Inc. OHCA has reviewed your request and makes the following findings:

1. Corporate Health Care/Work NET, located at 41 Germantown Road, Danbury, Connecticut, is a small industrial health service. Corporate Health Care/WorkNET is a trade name used by Danbury Health Care Affiliates ("DHCA"), a subsidiary of Danbury Health Systems, Inc ("DHSA").
2. DHCA is proposing to transfer ownership of Corporate Health Care/WorkNET to Occupational Health Centers of the Southwest, P.A., P.C., d/b/a Concentra Medical Centers ("Concentra").
3. Concentra does not have a current relationship with DHCA or DHS.
4. Corporate Health Care/Work NET provides services to an employer, or the employer's insurance paid medical services, related to employees and employment related matters.
5. Corporate Health Care/WorkNET provides services to clients located in Bethel, Brookfield, Danbury, New Fairfield, Newtown, Redding, and Ridgefield.

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Fax: (860) 418-7053

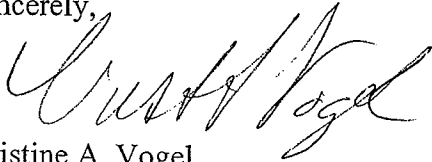
6. Services provided include, but are not limited to: preplacement physical exams; laboratory testing; x-rays; electrocardiography; independent medical evaluations; audiometry; spirometry; drug screens; work-related illness and injury; physical therapy and rehabilitation associated with work-related injuries; and employer policy and case management consulting.
7. The physicians providing the services are currently DHS employees. These physicians will be offered other career opportunities with DHS or may change their employment to Concentra.
8. There is no total capital expenditure associated with the sale.
9. Section 19a-630a of Connecticut General Statutes (C.G.S.) states that *"As used in sections 19a-638 to 19a-639a, inclusive, "affiliate" means any health-care-related person who directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with, another health-care-related person. In addition to other means of being controlled, a person is deemed controlled by another person if the other person, or one of that other person's affiliates, officers or management employees, acting in such capacity, acts as a general partner of a general or limited partnership or manager of a limited liability company in question. For purposes of this section, "health-care-related person" means an entity that is licensed by a state agency to provide direct patient care services for the prevention, diagnosis or treatment of human health conditions.*
10. Section 19a-638 (a)(1), C.G.S., states that *"each health care facility or institution, that intends to (A) transfer all or part of its ownership or control, (B) change the governing powers of the board of a parent company or an affiliate, whatever its designation, or (C) change or transfer the powers or control of a governing or controlling body of an affiliate, shall submit to the office, prior to the proposed date of such transfer or change, a request for permission to undertake such transfer or change."*
11. Section 19a-638 (a) (3), C.G.S., states that *"each health care facility or institution which intends to terminate a health service offered by such facility or institution ... shall submit to the office, prior to the proposed date of such termination .. a request to undertake such termination ..."*

Based on the above findings, OHCA has determined that Danbury Health Care Affiliates, an affiliate of Danbury Health Systems, Inc. is a health care facility or institution as defined under Section 19a-639a, C.G.S. Therefore, Danbury Health Care Affiliates is required to seek and obtain Certificate of Need approval for the transfer of ownership of Corporate Health Care/WorkNET to Occupational Health Centers of the Southwest, P.A., P.C., d/b/a Concentra Medical Centers and terminate the industrial health service, pursuant to Sections 19a-638(a) (1) and 19a-638(a) (3) of the Connecticut General Statutes.

OHCA considers the submission of information received on May 31, 2006, as the Letter of Intent for this matter. Danbury Health Care Affiliates may file a completed CON application with OHCA between July 30, 2006, and September 28, 2006. The CON application is being mailed to your attention separately.

If you have any questions regarding the above, please contact Laurie K. Greci, Associate Research Analyst at (860) 418-7001.

Sincerely,



Cristine A. Vogel
Commissioner

C: Rose McLellan, Licensing Examination Assistant, DHSR, DPH

CAV: lkg